LNG import from Iran

382. SHRI AMAR SINGH:
SHRI ABU ASIM AZMI:

Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) whether it is a fact that Government have signed a 22 billion dollar deal to import 5 million tonnes of LNG from Iran in 2005;

(b) if so, the details thereof; and

(c) whether the present Government in Iran have refused to honour that agreement and if so, the reasons therefor?

THE MINISTER OF STATE IN THE MINISTRY OF PETROLEUM AND NATURAL GAS (SHRI DINSHA J. PATEL): (a) to (c) A Sale-Purchase Agreement (SPA) was signed on June 13, 2005 in Tehran for 5 million metric tonnes per annum (MMTPA) of LNG between the National Iranian Gas Export Company (NIGEC) and the Indian Consortium of GAIL (India) Limited (GAIL), Indian Oil Corporation (IOC) & Bharat Petroleum Corporation Limited (BPCL). The contract period was for 25 years, beginning from the last quarter of 2009. Simultaneously, the parties also signed a side letter to the LNG SPA on June 13, 2005, by which NIGEC had to obtain the approval of their parent company, National Iranian Oil Company (NIOC), for the SPA to become effective. NIGEC has not conveyed the approval of NIOC's Board till now.

Matter is being consistently pursued with Iran through written communications as well as personal discussions. During the visit of Minister (P&NG) to Iran during April 25-26, 2007, the issue was discussed and the Iranian President assured the Indian delegation that Iran is committed to the LNG contract.

APM of natural gas

383. SHRI MOHAMMED AMIN:
SHRI TAPAN KUMAR SEN:

Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) the methodology of determining Administrative Price of natural gas;

(b) the minimum and maximum return on investment envisaged in the above Administrative Pricing Mechanism (APM); and

(c) the return on investment assessed for RIL-NIKKO's KG-D6 block with the proposed base gas price 4.33 dollar/million btu?

THE MINISTER OF STATE IN THE MINISTRY OF PETROLEUM AND NATURAL GAS (SHRI DINSHA J. PATEL): (a) and (b) The determination of producer price of gas produced from fields given to ONGC and OIL on nomination basis is done taking into account the investments made for development of infrastructure, including the cost incurred on exploration, as also the market conditions, including the price of alternative fuels and price of natural gas from alternate source, such as JV, LNG, etc. The issue has been examined by various Committees appointed by the Government

from time to time. 15% post tax return on net worth has usually been considered for determination of price of APM gas.

(c) The RIL and NIKKO KG-D6 block project was assessed for development and production of gas in Dhirubhai-I and Dhirubhai-III discoveries. The Net Present Value (NPV) of the project was calculated using a discounting rate of 10% and NPV was found to be positive. This standard procedure is being followed for NPV calculation of all development plans under the Production Sharing Contracts of the New Exploration Licensing Policy (NELP).

Sale of holding in OIL

384. SHRI TAPAN KUMAR SEN:
SHRI MOHAMMED AMIN:

Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) the reserve and surplus of Oil India Ltd. (OIL);

(b) the debt equity ratio of OIL;

(c) the capital investment of OIL during last three years;

(d) whether Government are planning to sell 10 per cent of holding in Oil; and

(e) if so, the reasons therefor?

THE MINISTER OF STATE IN THE MINISTRY OF PETROLEUM AND NATURAL GAS (SHRI DINSHA J. PATEL): (a) The reserve and surplus of Oil India Ltd. (OIL) as on 31st March, 2007 was Rs. 6,635.07 crore.

(b) The debt equity ratio of OIL as on 31.3.2007 was 1:8.41.

(c) The capital investment by OIL all during the last three years is as under:-

(Rs in crore)

2006-07	2005-06	2004-05
7,141.22	5,916.79	5,196.13

(d) Yes, Sir.

(e) It would enable the company to get its shares listed on the stock exchanges and would also help them raise resources for growth and expansion.

Import of LPG

385. SHRI TAPAN KUMAR SEN:
SHRI MOHAMMED AMIN:

Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) the present domestic demand of LPG per annum;

(b) the present domestic production of LPG by oil companies, both private and public, per annum;